

No. 16,351

IN THE

United States Court of Appeals
For the Ninth Circuit

KIM BROS., a partnership, *Appellant,*
vs. }
L. A. HAGLER, *Appellee.* }

BRIEF FOR APPELLEE.

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BRIEF FOR APPELLEE.

**JURISDICTION OF DISTRICT COURT
AND COURT OF APPEALS.**

Appellee concedes that the United States District Court had original jurisdiction of this action and that this Honorable Court has jurisdiction of this appeal.

STATEMENT OF CASE.

Appellee has no quarrel with appellant's statement of the case except in the following respects: (1) Appellee did not admit unlicensed reproduction of plaintiff's patented nectarines on any occasion. (PP. 256-258 Transcript). (2) While appellee's counsel did not exhibit to appellant's counsel prior to trial appellee's Patent No. 1718 (Red King), appellant's counsel had

knowledge of the existence of the patent at least four months prior to the time and appellant's counsel obtained copies of appellee's patent two months before the trial date. (PP. 49, 134, Transcript). (3) Appellant states that there is no evidence to support appellee's claim that his nectarine ripens at a different time than appellant's fruit. To the contrary, appellee testified that his Red King ripened in 1956 about seven days earlier than the variety Le Grand, and in 1957 and 1958 nine to eleven days earlier, whereas by appellant's own evidence the Sun Grand ripens approximately three weeks earlier than the Le Grand. (P. 251, Transcript; Plaintiff's Exhibit No. 1). (4) Appellant would urge that there is no evidence to support appellee's claims that his patented fruit is larger and of a more reddish color than the Sun Grand. Professor Oscar Martin Braun testified on the basis of his exhaustive and minute study of the two nectarines that there was a difference both in size and in color as contended by Mr. Hagler. (PP. 301, 308, 313-314, 323, 344-345, Transcript; Defendant's Exhibits J-1, 2 and 3). (5) Appellant avers that his expert, Dr. Olmo, testified that a mutation of the kind herein involved was impossible and that appellee's expert, Professor Braun, testified that such a mutation was possible but gave no reasons for such a belief. Appellant's expert testified that it was *nearly* impossible for such changes to take place. (P. 440, Transcript). It is undenied that mutations do occur in nature (PP. 133, 449, Transcript), and the Plant Patent Act itself presupposes the possibility of muta-

tion. (35 U.S.C.A. 163). Professor Braun declared that it was not known simply to science why mutations happen. (P. 394, Transcript).

ARGUMENT WITH POINTS AND AUTHORITIES.

It is elementary that an appellate court should not substitute its judgment on disputed issues of fact for that of the trial court where there is substantial credible evidence to support the findings. (*Vidales v. Brownell*, 217 F. 2d 135; *Sheperd v. Mahannah*, 220 F. 2d 737). In considering the question whether challenged fact findings are sustained by substantial evidence, the court must view the evidence in the light most favorable to the party prevailing in the trial court. (*Judd v. Wasil*, 211 F. 2d 826).

The patentee who charges infringement is entitled to the presumption of validity. However, from such presumption no inference of infringement arises. On the contrary, he who charges infringement has the burden of proving it. (*Macite Corp. v. Davison*, 211 F. 2d 650; 69 C.J.S., Patents, Sec. 325).

Professor Oscar Martin Braun of the Fresno State College faculty testified at great length, illustrating his testimony by slides, respecting the comparative differences between the Sun Grand and appellee's accused nectarine. (PP. 276-421, Transcript). These differences noted as the result of an extensive and scholarly study conducted by Professor Braun over many months are summarized immediately below:

Differences Between Red King and Sun Grand Nectarines as Testified to by Professor Braun.

1. Calyx cup Difference in size and width.
 (PP. 294-296, Transcript)
2. Calyx lobes Difference in length.
 (P. 295, Transcript)
3. Antlers Difference in coloration.
 (P. 296, Transcript)
4. Filaments Difference in the manner in which they grow out from the edge of the calyx cup.
 (P. 296, Transcript)
5. Petals Sun Grand petals more elongated than Red King. Red King petals are more rounded than Sun Grand.
 (P. 297, Transcript)
6. Size of fruit Red King larger than Sun Grand.
 (PP. 301, 323, 344, 345, Transcript; Defendant's Exhibits J-1, 2, 3)
7. Apex tip Sun Grand has more of an apex tip than Red King. Apex tip of Red King inclines more to one side of the center axis than Sun Grand.
 (PP. 302, 311, Transcript)
8. Apex Sun Grand has a more truncated apex than Red King. Red King is more rounded at the apex.
 (PP. 302, 313, Transcript)
9. Base end Sun Grand has a more truncated base end than the Red King. Red King is wider at the base.
 (PP. 302, 313, 322, Transcript)
10. Shape of fruit (a) Sun Grand is more compressed on the sides. Red King is more symmetrical in appearance.
 (PP. 303-304, 312, Transcript)
 (b) Shoulders of Sun Grand are high. Red King shoulders are more rounded.
 (P. 312, Transcript)
11. Color of fruit Red King is more reddish in color than Sun Grand.
 (PP. 313-314, Transcript)

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|--------------------------|--|
| 12. Leaves | (a) Apex angle of the leaves of the Sun Grand is broader.
(P. 308, Transcript)
(b) Leaves of the two varieties differ in color.
(P. 308, Transcript)
(c) Sun Grand averages four (4) glands per leaf. Red King averages 2.25 glands.
(P. 317, Transcript)
(d) Most of Sun Grand glands appear on leaf blade whereas Red King glands are positioned equally on petiole and on leaf blade.
(P. 317, Transcript) |
| 13. Development of fruit | More irregular and uneven in Sun Grand.
(PP. 303, 304, 309, 313, Transcript) |
| 14. Pit | (a) Pit of Red King shorter.
(PP. 310, 311, Transcript)
(b) Red King pit has a wider diameter than Sun Grand. Also it is thicker and rounder.
(PP. 318, 322, 324, 340, 341, Transcript) |
| 15. Seeds | (a) Red King seeds are not so elongated, are stubbier, shorter and have more width at the stem end of the pit than Sun Grand.
(PP. 313, 325, Transcript)
(b) Red King seeds are heavier than Sun Grand.
(PP. 323, 338, Transcript)
(c) Red King seed is more bitter than Sun Grand.
(P. 333, Transcript) |
| 16. Suture Line | Not as prominent in Red King as in Sun Grand.
(PP. 315, 316, Transcript) |
| 17. Cavity | Sun Grand cavity is deeper than Red King.
(P. 322, Transcript) |
| 18. Falling of fruit | Sun Grand drops more readily near end of season than Red King.
(P. 326, Transcript) |

Moreover, Professor Braun brought into court for the trial judge's perusal representative samples of Red King and Sun Grand fruit; whereas plaintiff did not produce any specimens of the accused nectarine or of his variety. (PP. 328, 331, 332, Transcript; Defendant's Exhibits F, G, H). Photographs of these representative specimens of Sun Grand and Red King are in evidence. (Defendant's Exhibits F1, F2, G1, H1, PP. 432-433, Transcript). In the words of plaintiff's own witness, Frederic W. Anderson, observation of the fruit itself is the decisive criterion in identifying varieties. (P. 120, Transcript).

It is undisputed that mutations of the type here claimed are possible. (P. 133, Transcript). Mr. Anderson averred that it was "extremely remote" that if a nectarine was a mutation that it would be the same as plaintiff's patent 974. (P. 133, Transcript).

Professor Braun testified that he could see no evidence that the parent tree was anything other than a mutation. (PP. 390-391, Transcript). Every one of the persons who could have grafted the parent tree or budded it with the plaintiff's variety, Hunter, Mr. Hagler, their employees, and the Riesners denied such act under oath. (PP. 226, 506, 507, 510, 513-514, Transcript). It is significant that appellant has not questioned the sufficiency of the evidence in support of Findings of Fact Nos. 5, 6, 7, and 8. These findings are as follows:

"5. There was no grafting or budding of a branch or bud from plaintiff's patented tree to any other tree by the defendants, their agents, servants or employees.

6. The nectarine trees grown by the defendants were not the result of appropriation by defendants, their agents, servants, or employees, of plaintiff's Sun Grand patent.

7. During the year 1955, defendants, their agents, servants or employees, did not graft Sun Grand Nectarine Scions on other fruit trees.

8. In 1956, defendants, their agents, servants, or employees, did not bud trees of the same variety as covered by plaintiff's patent."

Rule 52 of the Federal Rules of Civil Procedure provides in material part: "(a) . . . Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses." (28 U.S.C.A., Page 13). It has been held that this proviso is particularly applicable to a patent infringement action in which the evidence is largely the testimony of expert witnesses. (*Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 69 S. Ct. 535, 336 U.S. 271; *Hazeltine Research v. Admiral Corp.*, 183 F. 2d 953).

Within the application of the aforementioned principles of law it would seem clear that the trial judge had a right to believe the testimony of Professor Braun with respect to his comparative study of the nectarines herein involved as summarized in the table above and the testimony offered on behalf of the defendant and that said evidence is substantial and credible and supports the court's finding of fact No. 10 that the trees of the defendant are of an independent variety named Red King. Furthermore, as pointed out

before, Professor Braun illustrated his comparative study by slides projected in the court room, together with specimens of the Sun Grand and the accused fruit, and the trial judge was at liberty to exercise his own powers of observation with regard to the differences between these nectarines. In contrast to the careful and detailed study made by Professor Braun, Dr. Olmo, plaintiff's expert, admittedly made only a superficial examination. Dr. Olmo testified on cross-examination that he had looked at probably six to eight specimens of the accused fruit and that a sampling of this size was too small to make a determination of variety. (P. 443, Transcript). In fact, Dr. Olmo declared, to quote the record: "I certainly didn't mean to indicate that I considered the two fruit specimens the same from the samples I had." (i.e. the Sun Grand and Red King specimens) (P. 445, Transcript).

The trial court must draw its own conclusions as respects the weight of testimony of expert witnesses where there is an expert for each party. (*F. E. Myers & Brothers Co. v. Gould Pumps*, 91 F. Supp. 475, (a patent case); *Koshland & Estate v. Commissioner of Internal Revenue*, 177 F. 2d 851).

Appellant has directed much of his argument to the issue of ripening dates. A few preliminary remarks in this connection may be helpful. Witnesses for both parties were in agreement that ripening time is a very variable element. Mr. Anderson, patentee of Patent No. 974, now owned by Appellant testified that ripening time varies greatly from season to season and that it was necessary to use the qualifying word "approxi-

mately" in describing ripening date because of the difficulty in determining just exactly when any fruit is ripe. (PP. 80-81, Transcript). Mr. Taylor, a co-worker with Mr. Anderson, observed that position on the tree and other factors cause differences in ripening of fruit on the same tree. (P. 144, Transcript). If ripening time is fixed with reference to picking dates, as appears to be the case (P. 384, Transcript), the correct determination is further clouded by the custom of picking Red King fruit for the Eastern market green. (PP. 384, 463-464, Transcript). There is, in fact, adequate support in the record for the trial court's finding that the Red King ripens five to six days earlier than the Le Grand. (Finding of Fact No. 13). Mr. Hagler testified that in 1957 he began picking his Red King on July 8th and his regular Le Grand on July 17th. (PP. 243, 245, Transcript). Since, as mentioned above, the Red Kings were picked green for Eastern markets the court was justified in concluding that Mr. Hagler's patented fruit ripened approximately five to six days earlier than the Le Grand and in accord with the patent claim.

Appellant challenges the trial court's finding of fact that "The United States Patent Office will allow a patent for a deviant plant where it is shown to have a few characteristics which distinguish it from other plants". (Finding of Fact No. 3). In response to the attack on the findings, appellee would invite the reviewing court's attention to the testimony of Mr. Anderson that about forty-one (41) nectarine patents have been issued in the United States and Dr. Olmo's

remark that experts had trouble making a distinction between the various varieties. (PP. 57, 449, 458, Transcript). It would seem clear from this resume that the court below was entitled to draw the inference that a plant patent will be issued where there are only a few distinguishing characteristics.

Appellant has claimed as error the admission at the trial below of appellee's patent No. 1718 on the Red King variety. Appellant's objection to the introduction into evidence of the patent is grounded upon Section 282, 35 U.S.C.A. and the pre-trial order which recited a stipulation between the parties that exhibits other than those listed in the pre-trial order could be introduced provided notice was given of the same at least 20 days prior to the time of trial and opportunity given to inspect such exhibits. It is appellee's interpretation of Section 282 that it does not require notice to be given to appellant under the circumstances of this case. Under this section notice is required only when a patent is to be used to attack the validity of the patent owned by the party claiming infringement. In the instant case appellee has not attacked the validity of appellant's patent and to the contrary stands on his Patent No. 1718 as giving him exclusive rights to a separate and distinct variety.

Notice was actually given to appellant's counsel of the existence of appellee's patent and though it was not shown to appellant prior to trial, appellant's counsel never asked to inspect it and obtained either himself or through Mr. Anderson copies of the patent at least two months before the trial. (PP. 49-50, Tran-

script). The trial judge offered to afford appellant time for rebuttal if counsel had been taken by surprise, which offer appellant's counsel declined. (PP. 49-51, Transcript). It is incredulous that experienced trial counsel for appellant did not anticipate that appellee's patent would be offered in evidence at the trial.

The appellee's patent is entitled to the same presumption of validity as the appellant's. (35 U.S.C.A. 282).

The judgment of the patent office officials in granting a patent in view of prior art is entitled to great weight, and the validity of such patent is to be overcome only by clear proof that they were mistaken and that there is a lack of patentable novelty. (*Otto v. Koppers Co.*, 147 F. Supp. 552, reversed on other grounds, 246 F. 2d 789; *Patterson-Ballagh Corp. v. Moss*, 201 F. 2d 403, 406).

As pointed out by the learned trial judge the Congress has of necessity in providing for the patenting of plants, 35 U.S.C.A., 161, 162, dispensed with many of the rigid requirements as to specifications, thus giving broad latitude to the administrative procedures in the Patent Office and that when that office with knowledge of the prior art in the crowded field of nectarines is satisfied that a new variety has been developed their finding should be given due weight. (P. 25, Transcript).

Commercial success may add strength to the *prima facie* showing of validity of a patent. (*Wilson Athletic*

Goods Mfg. Co. v. Kennedy Sporting Goods Mfg. Co., 133 F. Supp. 469, affirmed 233 F. 2d 280; *Baltz v. Botto*, 147 F. Supp. 468). According to the undisputed evidence for the year 1957, Red King commanded a higher price (\$4.74 per lug as opposed to \$4.18 a lug) than the Sun Grand on the auction markets. (PP. 354-355; Defendant's Exhibit K). Vaughn Girozian, packer and shipper to Eastern markets of Mr. Hagger's Red King nectarine testified as to the commercial success and acceptance of the accused nectarine. (PP. 517-518, Transcript).

In summary it is submitted that appellant has not only failed to sustain its burden of proof with respect to infringement of its patent but that appellee has by substantial and credible evidence demonstrated that his nectarine is a new and distinct variety and appellee respectfully prays that this honorable court affirm the judgment of the District Court below.

Dated, Visalia, California,
October 13, 1959.

Respectfully submitted,
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